

'COMMENTARAO' IN "THE TELEGRAPH" OF April 1 2013

" What the polls may bring

A possible BJP agenda if it wins the general elections"

The BJP Agenda in 2014" by S L Rao

A BJP-led alliance might win the elections in 2014 or earlier. What will the new government's policies be? BJP have over the ten years in Opposition to the UPA taken many positions against its policies. Many of these may not easily be reversed when in power. Vajpayee earlier was able to smoothen such inconsistencies. He did this to the great benefit of India, memorably on two major policies. He followed wholeheartedly on the economic reforms track of the Narasimha Rao government. He extended the hand of friendship and peace to Pakistan despite its aggressive talk and actions. But Vajpayee is not available and no one of that shrewdness, few words, stature and statecraft is there. Narendra Modi, Yeshwant Sinha, Raj Nath Singh, Sushma Swaraj, *et al*, are lesser figures, with neither the same stature, articulation and clear objectives that put development and peace at the top. Among its old allies perhaps Nitish Kumar might develop into a Vajpayee. But the BJP will not accept him, given the hostility between Modi and him.

The BJP has been very aggressive in its rhetoric in responding to Pakistani actions and what they call the "timid" responses of the UPA government. We must expect a more abrasive and aggressive stance in relation to Pakistan. Cross-border skirmishes will increase. The BJP will desperately look for muted military responses. Covert Indian operations might increase significantly within Pakistan. On the backburner will go a more relaxed visa regime, greater people-to-people contacts, more tourism, etc. Trade and investment are unlikely to grow. This is a pity since it could make for cheaper goods into Pakistan from India and greater access to natural resources from Baluchistan and other provinces, and a share in the Iran gas pipeline. These non-events will hurt our economy.

Bangladesh has already become a tale of missed opportunities, thanks to the obduracy of Mamata Banerji, and the extremism of Begum Zia. A secure border with Bangladesh could control the huge

migration into India. It will open the river route to the North East and enable its development, especially in getting natural resources out at low cost, and also energy. The BJP will be unable to pursue these initiatives, especially if Begum Zia and her fundamentalist supporters come to power later this year. This is a pity since it would have added to our resources, brought costs down and helped develop the North East.

Sri Lanka is one country over which the BJP has realized the inconsistency in fighting for Sri Lankan Tamils while wanting at the same time to safeguard our interests in Kashmir and elsewhere. Hopefully it has grasped Vajpayee's understanding of the encircling India strategy of China. UPA's need for DMK support, makes them sympathetic to DMK demands for mercy to Rajiv Gandhi's assassins and for support to foreign nationals, as Tamils in Sri Lanka must be regarded. Vajpayee would not have allowed policies for the fractious relations with Sri Lanka, Nepal, and Maldives.

The benefits of good relations with our South Asian neighbours lie in improved trade and investment. BJP can stimulate this if it is able to cover its hostility to Muslims and Muslim countries in our region.

The BJP in office was as ineffective as the UPA in gathering, analyzing, sharing and acting quickly upon intelligence in dealing with terrorism-from Maoists, militants in J & K and North East. BJP is more likely to impose restrictions on our Muslim population. This will disturb law and order, the economy, and equality of treatment to all citizens. The resulting pall of fear in Muslim localities is detrimental to internal peace and stability.

Gujarat under Modi has shown that the Muslim bloodletting of 2002 cowed Muslim resistance to a Hindu-majority inclined government. It led to the absence of such law and order problems but no massive upsurge in Muslim well-being. This result could spread over the rest of India under a new BJP government.

Mr Vajpayee's graciousness in dealing with the Gandhi family will be history. The BJP will now pursue their "crimes". The various scams in telecom, coal, arms purchases, etc, will be vigorously prosecuted. Unlike earlier governments which had interminable commissions of enquiry, they may go to the Courts. Today's high profile Ministers, Congress party men and bureaucrats will have to defend themselves.

Some dirty linen will fall out and hurt the Congress further, even if few cases are proven.

This judicial hunt could lead to bureaucratic paralysis. The answer has been staring at us for decades-speedy administrative reforms. Detailed blueprints exist in the many reports of the Administrative Reforms Commissions, especially those headed by Morarji and Moily. We must have bureaucratic accountability, speedy justice and administrative procedural reforms. BJP has no ideological bias unlike Congress whose close links to the bureaucracy prevented such reforms.

Given BJP's Parliamentary behaviour in the last few years, the Congress will ensure similar turbulence. Little fresh legislation will be passed. Better led State governments will initiate their own reforms. The states implement them and are at the heart of the poor implementation and theft of public funds. New national leaderships will emerge from this.

In economic policies Vajpayee wisely continued Narasimha Rao's liberalization (tax reforms and reductions, delicensing, etc). He added the stimulus of large infrastructure expenditures. A new BJP led government will build on public private partnerships pioneered by the UPA. Vajpayee's innovative social welfare schemes like mass education went mad under UPA, with huge corruption and record fiscal deficits. BJP might learn from this.

BJP in power did little to stimulate foreign direct investment. Nor did it try to change institutional investment in equity into direct investment in new manufacturing. It did not close the loopholes of investments routed (free of capital gains tax) through Mauritius and other small countries, nor the invidious participatory notes. Both have become instruments for money laundering and volatility in stock markets and exchange rates. Given the vested interests of politicians and the bureaucracy, this preference for FII's may continue. Perhaps however the BJP has less to lose than the Congress and its friendly bureaucrats who amassed vast wealth overseas by these routes. If BJP clamps down, volatility in markets and exchange rates will ease. This will stimulate both domestic and foreign investment.

The BJP in Opposition was vociferously against FDI in retail and some other sectors. In office, they have to encourage and ease foreign fund inflows that are stable and not volatile, and in all sectors.

But the party's attitudes for the last decade have to be reversed. A reversal is possible. After all, the BJP in earlier years was against foreign investment (“yes to computer chips, no to potato chips”) but relaxed on this when in the NDA. It will when in power, see the need for it.

The BJP will embark on a massive programme of privatization, to release the large resources locked into the public sector. It will also stimulate the economy as these dormant enterprises get fresh life and entrepreneurship from private ownership. As coal, oil and gas, power, steel, aluminum, tourism, perhaps even railways and airlines, become privatized we can expect a significant boost to the economy.

These resources released from public enterprises must go into social expenditures on health, education, skills development, livelihoods enhancement, and not as the Congress has done, to bridge deficits. These social investments, and infrastructure investments, will stimulate the economy.

The BJP in power might have brittle relations with neighbours. But they could in economic policies, help make India more responsive to enterprise and less to bureaucratic procedures.

(1270)